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10

Revenue and Receivables

Overview

APHIS funding, other than appropriated funding, is addressed in this chapter. This includes revenue and reimbursements the Agency receives from user fees, agreements, fines and penalties, and other miscellaneous sources. Each of these activities requires the recipient of APHIS goods and services to reimburse APHIS for the cost of the goods or services provided. Recipients may include individuals, companies, State and local government agencies, and other Federal agencies. Billings and collections for services provided are also addressed in this chapter. See Chapter 3 of this Manual, Where APHIS Gets Its Funding, for more information on appropriated funds and annual vs. no-year funds.

What is a User Fee?

A user fee is a charge for goods or services that benefit the receiver of the service rather than the public as a whole. User fee activities require the recipient of services to pay APHIS for the cost of providing the goods or services. These services are not covered by appropriated funding, and user fee collections allow APHIS to fund the cost of providing the goods and services.

Authorization for User Fees

User fees were authorized by section 2509(a) of the Food, Agriculture, Conservation and Trade (FACT) Act of 1990 (21 U.S.C.136a), as amended by the Omnibus Budget Reconciliation Act of 1990 (Budget Reconciliation Act). This statute, known as the 1990 Farm Bill, authorized the Secretary of Agriculture to prescribe and collect user fees sufficient to cover costs of providing specific services. On April 4, 1996, the Farm Bill section 2509 was amended by section 504 of the Federal Agriculture Improvement and Reform (FAIR) Act of 1996.

Costs Included in the Fees

The Budget and Accounting Division (BAD) calculates user fees to cover the full cost of providing the service for which the fee is charged. The cost of providing a service includes direct labor, direct materials, administrative support, Agency overhead, and departmental charges. Direct labor costs are the costs of employee time spent specifically to provide the service. Direct material costs include the cost of any materials needed to supply the service. Direct labor and direct material costs vary with the type of good or service provided.

Administrative support costs include local clerical and administrative activities; indirect labor hours (supervision of personnel and time spent doing work that is not directly connected with the service but which is nonetheless necessary); travel and transportation for personnel; supplies, equipment, and other necessary items; training; general supplies for offices, washrooms, cleaning, etc.; contractual services (such as guard service, maintenance, trash pickup, etc.); grounds maintenance; and utilities.

Agency overhead is the pro-rata share, attributable to a particular service of the management and support cost for all Agency activities. Included are the cost of providing budget and accounting services, management support, including the Administrator's office and support at the regional level, personnel services, public information service, and liaison with Congress.

Departmental charges are APHIS' share, expressed as a percentage of the total cost, of services provided centrally by the Department of Agriculture (Department). Services the Department provides centrally include the Federal Telephone Service; mail; National Finance Center (NFC) processing of payroll, billing, collections, and other money management; unemployment compensation; Office of Workers Compensation Programs; and central supply for storing and issuing commonly used supplies and Department forms. User fees are reviewed at least annually to ensure that they accurately reflect the cost of the services provided and any necessary additions, deletions, or changes are proposed in the "Federal Register."

PPQ User Fees

There are seven types of Plant Protection and Quarantine (PPQ) user fees: phytosanitary export certificates and six Agricultural Quarantine and Inspection (AQI) - related fees. Reimbursable overtime charges also may apply. See the reimbursable overtime section of this chapter for a discussion of reimbursable overtime. Exhibit 10-1 is a chart showing the AQI user fee authority to collect and spend, the date the fee was implemented, date of last change, party liable for payment, party which collects the fee, when and how the fee is collected, amount of the fee, money trail, final destination of money collected, and the nature of spending from funds.

Phytosanitary Certificate Fees

Phytosanitary Certificates (Phytos) are issued for the export of plants and/or plant products. Phytos are issued in accordance with 7 U.S.C. §147a and regulations in 7 CFR §353 and §354.3. These documents certify agricultural products as being free from plant pests, according to the phytosanitary requirements of the foreign countries to which the plants or plant products may be exported, or to the freedom from exposure to plant pests while in transit through the United States. These phytos must be issued in accordance with 7 CFR Part 353 to be accepted in international commerce. The regulation for charging a fee for issuing phytos is located in 7 CFR §354.3 (g). Appendix 1, Fees and Costs, of the Export Certification Manual contains current rates and directions for charging, collecting, and tracking phyto user fees. This appendix also provides directions for offices to prepare their monthly report of export phytos issued.

Each phyto must be accounted for by the PPQ work unit. The phyto bears a serial number in the right-hand corner, and is therefore, a controlled document. Due to geographic limitations, State/county agricultural personnel are trained and authorized to issue Federal phytos. Amounts charged vary by State, but must be based on the same cost components as the Federal fee structure. Monies collected by States are retained by the States.

**Phytosanitary
Certificate Fees
(Continued)**

There are three phyto rates: 1) commercial shipments or shipments valued at greater than or equal to \$1,250, 2) non-commercial shipments or low-value shipments (value is less than \$1,250), and 3) reissue of any phyto. There also are three types of phytos: Federal Phytosanitary Certificate, PPQ Form 577; Export Certificate, Processed Plant Products Certificate, PPQ Form 578; and, Phytosanitary Certificate for Re-export, PPQ Form 579.

Accounting

For each phyto issued by APHIS personnel, the recipient must pay the applicable phyto rate at the time and place the phyto is issued, or in the case of the block of prepaid phytos, at the time the phytos are given to the shipper. Currently, a block of phytos **ONLY** can be purchased at the commercial rate.

The PPQ work unit transmits a Record of Public Funds Received, APHIS Form 94, and check/money order to the St. Louis lockbox no later than 48 hours after receiving monies. Exhibit 10-2 is a sample APHIS Form 94. The larger ports transmit on a daily basis. After the APHIS form 94 and checks are received at the lockbox, the information is sent to the Field Servicing Office (FSO) who verifies the total amount reported on APHIS Form 94 with the copy of the checks sent with the APHIS Form 94. The APHIS Form 94 receipt copy is then sent back to the originating office.

Because phytos issued in prepaid blocks are not certified at the time of purchase, the work unit must track the phyto using the Export Certificate Record (ECR). The work unit uses the ECR to account for each phyto issued and each transaction made. The ECR also is used to account for phytos issued to other PPQ offices (work stations) and State/county offices.

Payments for phytos issued to other Government agencies are collected through an inter-agency agreement. The Government agencies are charged the noncommercial rate for all phytos issued to them.

**Voided/Reissued
Certificates**

A phyto can either be voided or reissued depending on the circumstances. A phyto is reissued if the broker or client makes a mistake on the phyto. There is an administrative charge for a reissued phyto. The reissued phytos can be any one of the three types of phytos (PPQ Forms 577, 578 or 579). A phyto is considered voided if a PPQ officer or employee makes an error on it. There is no charge for a phyto voided due to PPQ error.

Because all phytos are numbered, they are controlled documents and should be tracked. Therefore, when a phyto is reissued or voided, the replacement must reference the unusable phyto.

AQI User Fees

The six AQI user fees are:

- ◆ International Air Passenger User Fee
- ◆ Commercial Aircraft Clearance User Fee
- ◆ Commercial Vessel User Fee
- ◆ Commercial Truck User Fee
- ◆ Commercial Truck Decal User Fee
- ◆ Loaded Rail Car User Fee

Each of these fees is discussed in detail below. In addition, individual agreements can be set up for inspection services at ports of entry not listed in the regulations. The AQI User Fee regulations are located in 7 CFR 354.3.

These AQI services are performed in connection with the arrival at a port in the customs territory of the United States, or the preclearance or pre-inspection activities at sites outside the customs territory of the United States. Likewise, international passengers aboard commercial aircraft are subject to inspection upon arrival from a place outside of the customs territory of the United States and must pay the APHIS user fee.

**International Air
Passenger User Fee**

The international air passenger user fee is for the inspection and quarantine of the international passenger and his/her baggage.

**International Air
Passenger User Fee
(Continued)****Exceptions:**

- ◆ Passengers arriving from Canada whose journey originates in Canada;
- ◆ Crew members who are on duty on a commercial aircraft;
- ◆ Airline employees, including “deadheading” crew members, who are traveling on official airline business;
- ◆ Diplomats, except United States diplomats, who can show that their names appear on the accreditation listing maintained by the United States Department of State;
- ◆ Passengers departing and returning to the United States without having touched a foreign port or place other than Canada;
- ◆ Passengers arriving on any commercial aircraft used exclusively in the Governmental service of the United States or a foreign Government, as long as the aircraft is not carrying persons or merchandise for commercial purposes;
- ◆ Passengers arriving on an aircraft due to an emergency or forced landing;
- ◆ Passengers transiting the United States and not subject to inspection; and,
- ◆ Passengers moving from the United States Virgin Islands to Puerto Rico.

Collection Process: The international air passenger user fee is collected by the airline at the time the ticket is sold to the passenger. If the passenger’s ticket or travel document does not reflect the collection, then the carrier transporting the passenger is responsible for collecting the international air passenger user fee. The international air passenger user fee collections are remitted by the airlines, on a voluntary basis, 31 days after the close of each quarter to a Chicago lockbox. The collections are then entered into NFC’s Billing and Collection (BLCO) system. NFC sends quarterly reminder letters to the airlines 30 days before the payment is due.

Commercial Aircraft Clearance User Fee

The commercial aircraft clearance user fee is charged to airline carriers, operators, or owners, for the quarantine and inspection of an international aircraft and its cargo. The fee applies to the inspection of cargo during normal business hours, or when inspected concurrently with the aircraft. Each commercial aircraft which is arriving, or which has arrived and is proceeding from one United States airport to another under a United States Customs Permit to Proceed and which is subject to inspection is responsible for paying the APHIS user fee.

Exemptions:

- ◆ Any aircraft moving solely between the United States and Canada;
- ◆ Any aircraft used exclusively in the Governmental services of the United States or a foreign Government so long as the aircraft is not carrying persons or merchandise for commercial purposes;
- ◆ Any aircraft making an emergency or forced landing;
- ◆ Any aircraft with 64 or fewer seats, which is not carrying any agricultural cargo and which is not equipped to offer in-flight food services;
- ◆ Any aircraft moving from the United States Virgin Islands to Puerto Rico; and
- ◆ Any aircraft making an in-transit stop at a port of entry, during which the aircraft does not proceed through any portion of the Federal clearance process, no cargo is removed from or placed on the aircraft, no passengers get on or off the aircraft, no crew members get on or off, no food is placed on the aircraft, and no garbage is removed from the aircraft.

Collection Process: The commercial aircraft clearance user fee is remitted by the airline carriers, on a voluntary remittance basis, 31 days after the close of each quarter. Payments are sent to the Chicago lockbox. The collections then are entered into BLCO. NFC sends quarterly reminder letters to the airlines 30 days before the payment is due.

**Commercial Vessel
User Fee**

The commercial vessel user fee is for the inspection of the commercial vessels of 100 net tons or more and charged only for the first 15 arrivals each calendar year. The vessel user fee also applies to cargo if it is inspected concurrently with the vessel. The master, licensed deck officer, or purser of any commercial vessel which is subject to inspection and which is either required to make an entry at the Customs House or is a United States-flag vessel proceeding coastwise upon arrival, must proceed to Customs and pay the commercial vessel fee.

Exemptions:

- ◆ Any vessel which sails solely between the United States and Canada;
- ◆ Foreign passenger vessels making at least 3 trips a week from a port in the United States to the high seas and returning to the same port in the United States, not having touched any foreign port or place other than Canada, or taken any stores other than in Canada;
- ◆ Any vessel which is being used solely as a tugboat;
- ◆ Vessels used exclusively in the Governmental service of the United States or a foreign Government so long as the vessel is not carrying persons or merchandise for commercial purposes;
- ◆ Vessels arriving in distress or to take on bunkers, sea stores, or ship's stores; and
- ◆ Tugboats towing vessels on the Great Lakes.

Collection Process: The commercial vessel user fee is collected by the United States Customs Service. Customs reports collections of the commercial vessel, truck, and decal to APHIS on a monthly basis. The Customs inspectors collect the APHIS fee at the time of entry at the port, deposit the collections, and Customs-NFC reports monthly collections to USDA-NFC. The collection information is transmitted through the Online Payment and Collection (OPAC) system, and USDA-NFC updates the BLCO and Central Accounting Data Base Inquiry (CADI) systems.

**Commercial Truck
and Commercial
Truck Decal Fee**

Commercial truck and truck decal fees are for the inspection of commercial trucks at the Mexican land border **ONLY**. The driver or other person in charge of a commercial truck which is entering the customs territory of the United States and which is subject to inspection upon arrival, must proceed to Customs and pay the commercial truck fee or purchase the truck decal for a given calendar year.

Exemption:

- ◆ Trucks entering the customs territory of the United States from Canada.

Collection Process: The commercial truck and truck decal user fees are collected by the United States Customs Service. Customs reports collections of the commercial vessel, truck and decal to APHIS on a monthly basis. The Custom inspectors collect the APHIS fee at the time of entry at the border, deposit the collections, and Customs-NFC reports monthly collections to USDA-NFC. The collection information is transmitted through the OPAC, and USDA-NFC updates the BLCO and CADI systems.

**Loaded Rail Car
User Fee**

The loaded rail car user fee is for the inspection of loaded railroad cars crossing the U.S.-Mexican land border **ONLY**. This fee is charged for each loaded rail car which is subject to inspection upon each arrival. Each railroad company is responsible for paying the fee.

Exemptions:

- ◆ Commercial rail cars entering the customs territory of the United States from Canada;
- ◆ Any commercial railroad car that is part of a train whose journey originates and terminates in the U.S.; and
- ◆ Locomotives and cabooses.

**Loaded Rail Car
User Fee
(Continued)**

Collection Process: The loaded rail car user fee is remitted by the railroad companies on a monthly basis, on a voluntary remittance basis, 60 days after the end of the month. (i.e., the February user fee remittance is due April 30.) NFC sends monthly reminder letters to the railroad companies 30 days before the payment is due. Payments are sent to the NFC Chicago lockbox and then entered into BLCO.

Special Inspections

If a customer requests inspection services at a port of entry which is not designated in the regulations, then the customer must pay the travel and per diem of the person(s) coming to that special port to do the work.

AQI Audits

The APHIS Resource Management Systems and Evaluations Staff performs audits of airline or rail car companies. If APHIS determines through an audit that a company has underpaid, the APHIS auditor instructs NFC to set up an account number and record an accounts receivable in BLCO. The audit statement serves as the bill to the company for the underpayment. Payments are sent directly to the NFC Chicago lockbox, and NFC records the collection in BLCO.

**Veterinary Services
(VS) User Fees**

VS user fees are charged for import, export, and veterinary diagnostic goods and services provided for live animals, animal products, organisms and vectors, and germplasm (semen, embryos and ova). These services are provided as we carry out the requirements of Title 9, Code of Federal Regulations (CFR), Animals and Animal Products. User fees are charged for the quarantine of animals and birds in APHIS-owned or -operated animal import centers; import or export services at land border, ocean, and airports; veterinary diagnostic tests, reagents, and services; export health phyto endorsements; inspection and approval of slaughter and product establishments; processing applications for import permits; laboratory and facility inspections; and other miscellaneous import or export services provided.

**VS User Fees
Operating
Procedures Manual**

The VS User Fees Operating Procedures Manual contains all information pertinent to these fees including responsibilities; authorities; regulations; forms of payment; completion of forms; instructions for charging import, export, and veterinary diagnostic user fees; handling and safeguarding collections; document control and accounting; record keeping and reports; and questions and answers. Chapter 7 (Import User Fees) and Chapter 8 (Export User Fees) of the VS User Fees Operating Procedures Manual provide guidance for the import and export user fees including minimum fee charges, hourly rate computations, overtime, the Airport and Airway Development Act (AADA) and user fees, and collections for approved slaughter and product establishments. Chapter 9, VS User Fees Operating Procedures Manual, National Veterinary Services Laboratories (NVSL) User Fees, addresses veterinary diagnostic user fees.

VS User Fee Charts

Exhibit 10-3 at the end of this chapter provides summary information on the amount of the fees, user fee units, dates implemented, dates of latest changes, points of collection, and when fees are due. Exhibits 7-1, 7-2, 7-3, 8-1 and 8-2 of the VS User Fees Operating Procedures Manual provide details on the user fees including their service codes, a description of service, the user fee units, the fee amounts, the time the fees are collected and points of collection. Exhibits 9-1 and 9-4 to the VS User Fees Manual provide details on the veterinary diagnostic user fees.

**Accounting
Information**

Chapter 11, Document Control and Accounting, VS User Fees Operating Procedures Manual, discusses accounting codes to be used for VS user fees, reconciliation of user fee accounts, document control numbers, and status of funds reports. All VS user fees are recorded under appropriation X75. The project codes are 175 for animal import centers, 176 for all other import services, 177 for export services, 690 for veterinary diagnostic tests and 691 for diagnostic reagents. Each individual user fee has a specific service code set up in the VS User Fee System (UFS) at FSO so that volumes and revenue by individual fee can be tracked and identified.

**APHIS Form 81,
Statement of
Services**

The APHIS Form 81 is an invoice or charge document. It is used to record individual transactions. (See Animal Import Centers section below for a description of how APHIS Form 81 charges at the centers are summarized on a final bill). It is an accountable document; each form is assigned a unique control number. Detailed instructions for this form are included in Chapter 6, VS User Fees Operating Procedures Manual. This includes the types of forms (manual and automated), distribution of forms, ordering forms, instructions for correcting and voiding forms, and samples of forms.

The APHIS Form 81 is used for all transactions including hourly rate services, premium hourly rate services, and reimbursable overtime services. If a customer pays by cash, check, or credit card at the time the services are provided, the APHIS Form 81 serves as a receipt for payment of services rendered. Field offices send copies of the APHIS Form 81 to FSO both electronically and manually. Check payments are forwarded to an APHIS lockbox in St. Louis along with a copy of the APHIS Form 81. Credit card payments are reported to NFC by Mellon Bank, and NFC records the credit card collection in the Administrative Billings and Collections (ABCO) feeder system.

Forms of Payment

Forms of payment for VS User Fees are discussed in detail in Chapter 5, VS User Fees Operating Procedures Manual. There are four methods of payment available: cash (at specified locations), check/money order, credit card, or established APHIS credit. Cash is accepted at specific locations outlined in the VS User Fees Operating Procedures Manual. Instructions for use of the credit card machines also are included.

Charges incurred through established credit are recorded on APHIS customer accounts and the customer is billed monthly. Customers mail their payments to the St. Louis lockbox and reference their account number.

Billings and Collections

APHIS uses BLCO for billing and collecting VS user fees. BLCO is an automated accounts receivable system which provides a computerized method for billing and collecting user fees. BLCO summarizes all APHIS Form 81 charges incurred by each individual APHIS account holder and produces consolidated monthly bills to the customers. This monthly statement also reflects all collections received during the month. Exhibit 10-4 is a sample billing statement. Payments received from customers are applied to their customer accounts.

Deadlines. Customers have about 25 days from the date of the bill to make payments. Accounts are considered past due if payment is not received by the 25th of the month in which they are billed. NFC automatically calculates interest and penalties on all delinquent accounts. Currently, interest is assessed at an annual rate of 15% on all past due amounts. Accounts more than 90 days past due are assessed an additional 6% late penalty charge. Administrative charges are applied for checks returned due to insufficient funds (NSF). NFC automatically sends reminder notices to customers whose accounts are 15, 30, and 60 days past due.

Problems/Charge Disputes NFC addresses questions from customers regarding the billing statements, such as whether or not NFC has received a payment. FSO addresses questions from customers relating to individual APHIS Form 81 charges. Customers who disagree with a charge on their accounts can “dispute” the charge. NFC will reverse the charge from the customer’s account and generate a “Document in Dispute” report and send it to the appropriate field office for review and followup.

**Veterinary
Diagnostics**

NVSL produces a computer-generated APHIS Form 81 and unique control number. This form is returned to the field office submitting the samples by facsimile or mail after tests have been completed along with lab results. The NVSL APHIS Form 81 control numbers correlate with lab accession numbers. Lab accession numbers are internal numbers assigned and used by NVSL to track each and every item received by the lab for testing. Animal import centers transfer veterinary diagnostic charges per the NVSL APHIS Form 81 to their final bill. (See the Animal Import Center section of this chapter). Detailed instructions for veterinary diagnostic user fees are contained in Chapter 9, VS User Fees Operating Procedures Manual, including when fees are due, NVSL responsibilities, and animal import center staff responsibilities for veterinary diagnostic charges.

**Animal Import
Centers (AIC)**

Procedures for charges at the animal import centers are different from all other VS user fee charges. Instead of using APHIS Form 81's for billing purposes the APHIS Form 81's are used as supporting documentation, and the centers use APHIS Form 223, Report of Quarantine Services Rendered, for each import. This form summarizes all charges associated with an individual importation including the quarantine charges from the APHIS Form 81's, the veterinary diagnostic charges, and reimbursable overtime, and it is used as a billing document (invoice) for services. On this form we take into consideration any reservation fees which may have been deposited up front for imports. Payment of all quarantine services is required prior to the release of any animal/bird from quarantine.

AIC personnel deposit all collections and reservation fees they receive into a Treasury General Account (TGA). See the "Collections Deposited to TGA's" Section in this chapter for more information. These charges and payments are currently not recorded in the NFC BLCO system. In the future, we plan to develop a system that utilizes the NFC BLCO system for billings and collections of these charges.

**Animal Import
Centers (AIC)
(Continued)**

Reservation Fees. Quarantine services for animals or birds to be imported into the U.S. are provided on a reservation basis. Each facility has limited space available for the varied animals or birds to be imported. Therefore, it is necessary for importers to request available space by submitting a reservation form. Space at the centers is reserved on a first-come first-served basis. These reservation fees cover the estimated costs of quarantine, testing, and lab fees. Depending upon the type of animal or bird imported, some importers must pay the entire amount due in advance, while others pay only a portion of this amount. Each request for reservation of space must be accompanied by the appropriate reservation fee specified in 9 CFR §92.

The reservation number assigned to each reservation should include a sequential number, the month the reservation is to start, the fiscal year in which the fee is received, and an AIC designation (N=Newburgh; M=Miami). This is necessary to track earned versus unearned revenues. Monthly, FSO transfers earned revenue to the appropriate account based on information recorded in the reservation number. Reservations which are not canceled in accordance with 9 CFR §92 may be forfeited in their entirety. Those canceled in accordance with the regulation are still subject to a \$40 cancellation fee. Reservations which are canceled will have the reservation fee refunded minus the cancellation fee. Reservation fees paid for one reservation should be refunded and not applied to a new reservation request.

**Reimbursable
Overtime (ROT)**

APHIS has the authority under the Import/Export Act, 7 U.S.C. 2226, to pay employees for performing inspection or quarantine services relating to imports into and exports from the United States for all overtime, night, or holiday work. This Act also authorizes the Agency to develop rates, to recover full cost of performing service, and to accept reimbursement from persons for whom work is performed for services rendered after hours.

**Reimbursable
Overtime (ROT)
(Continued)**

User fees have dramatically changed the ROT process. VS no longer uses the APHIS Form 89, Report of Reimbursable Inspection and Quarantine Services and Instructions; instead, ROT is one of many VS user fees processed through the APHIS Form 81. The “VS User Fees” section of this chapter provides information on VS user fees. PPQ has incorporated about half of its ROT costs in user fees. BAD still develops ROT rates separately, and they should be charged in the situations outlined in 7 CFR§354 for PPQ and 9 CFR§97 for VS.

The AQI user fees encompass specific ROT costs in providing AQI costs, including clearance of passengers and means of conveyance regardless of arrival time when a user fee is paid. In contrast, ROT is charged for clearance of cargo outside of normal hours unless it is cleared concurrently with the means of conveyance. Also, because user fees are not charged for clearance of passengers and conveyances arriving on the mainland from Hawaii and Puerto Rico, ROT is assessed for all services requested outside of normal business hours.

Reimbursable overtime rates, ports, and guidelines for charging are outlined in 7 CFR Part 354.1 for PPQ and 9 CFR Part 97.1 for VS.

Types of ROT Rates

There are two types of ROT rates: 1) regular overtime rates, and 2) AADA overtime rates.

Regular Overtime. The regular overtime rates were developed for inspections performed outside the regular tour-of-duty of the employee on weekdays, holidays, and Sundays. Regular overtime rates are developed to recover the full cost of providing the inspection service after hours. Regular overtime rates include the cost of inspection personnel, program delivery, program direction and support, management support costs, billing and collection costs, and departmental charges.

**Types of ROT Rates
(Continued)**

AADA Overtime. Public Law 94-353 established limitations on the amount to be charged to aircraft owners and operators for inspection and clearance of aircraft. Rates established for AADA inspections recover only the cost actually incurred in performing the inspection. All overhead costs, such as program direction and support, management support, and departmental charges, are excluded from the rates. There is a rate for AADA Weekday/Holiday and another rate for AADA Sunday Overtime. In addition, a maximum rate of \$25.00 is established under AADA for the border clearance of any private aircraft or vessel for all inspection services provided by U. S. Government agencies combined.

ROT Reports

NFC produces a monthly report showing the ROT rate charged, fiscal year (current and prior), and number of hours billed by rate. This indicates the ROT activity by rate; therefore, serving as a tool in calculating projected revenue and obligations.

NFC also prepares a report showing the ROT bills received after NFC runs the monthly bills which will not be billed in the current month but the following month. The report contains the office account, date of service, date received, date processed and the amount billed. This report provides an indication of the amount of lag revenue the Agency will receive. In other words, this is revenue that APHIS has earned, but has not yet issued bills for.

VS ROT

APHIS treats VS reimbursable overtime like all other VS user fees. See the Veterinary Service User Fees section of this chapter. VS reimbursable overtime is discussed in detail in the Veterinary Service User Fees Operating Procedures Manual. VS reimbursable overtime for import services is covered in Chapter 7.3, (Import) Overtime, VS User Fees Operating Procedures Manual. ROT for export services is covered in Chapter 8.3, (Export) Overtime.

**VS ROT
(Continued)**

These sections include a discussion of the premium hourly user fee rates (PUFR): when they apply vs. when reimbursable overtime rates apply. Reimbursable overtime charged in conjunction with flat rate user fees, travel time computations, and starting and ending travel points also are covered.

VS Reimbursable Overtime Forms. All VS user fee charges, including VS reimbursable overtime charges, are detailed on the APHIS Form 81. Like all other VS user fee services, VS reimbursable overtime services have specific service codes set up in the VS User Fee System (UFS) at FSO so that reimbursable overtime activity can be identified. VS Form 8-81A, Report of Reimbursable Inspection and Quarantine Service Worksheet, is used to assist with computing charges for reimbursable overtime and premium hourly user fee charges, for payroll record keeping and as a record for the client. See Chapter 6, Completion of Forms, VS Operating Procedures Manual, for information about the APHIS Form 81 and the VS Form 8-81A. This includes the types of forms (manual and automated), distribution of forms, and instructions for correcting and voiding the forms.

Reimbursable Overtime at AIC's. All reimbursable overtime charges related to a specific importation are summarized along with all other charges for that import (including quarantine and veterinary diagnostic charges) on APHIS Form 223, Report of Quarantine Services Rendered.

PPQ ROT

APHIS uses APHIS Form 89, for billings and collections of PPQ ROT. The APHIS Form 89 serves as the itemized bill and is mailed to NFC for entry into BLCO. The charges for each APHIS Form 89 accumulate against the customer's account. On the 25th of each month, BLCO produces bills for the account balances. Collections for these bills are received in the NFC Chicago lockbox and are transmitted to BLCO through an automated process. The collections are recorded and the corresponding receivables then are liquidated.

**PPQ ROT
(Continued)**

Automated APHIS Form 89 Process. The PPQ Southeastern Region (SER) has developed an automated system for preparing the APHIS Form 89 and electronically transmitting it to NFC. This system is currently in use in Miami, Florida, and is working very well. Other offices are encouraged to contact the SER office for more details.

**APHIS Form 89
Accountability**

APHIS Form 89 Request. APHIS Form 89's are maintained by FSO, Accounts Receivable Team, in Minneapolis, Minnesota. The APHIS Form 89 is a multi-part snap out form and is printed in pad form with 25 sets per pad. Each location should keep no more than a 3-month supply on hand. PPQ field locations should request the APHIS Form 89 directly from FSO, Accounts Receivable Team, by speed memo, or call 612-370-2213. Include a completed mailing label with each request. **DO NOT** request APHIS Form 89 on a Form AD-700, Procurement Request; this will only delay shipment.

APHIS Form 89 Transmittal. FSO, Accounts Receivable Team, will prepare an APHIS Form 47, Transmittal and Receipt for Accountable Items, to transmit the APHIS Form 89 to each field location. The APHIS Form 47 will be completed in an original and three copies by FSO, Accounts Receivable Team. The original and first copy will be mailed with the APHIS Form 89, the second copy will be used by FSO, Accounts Receivable Team, to establish accountability of APHIS Form 89's issued, and the third copy will be retained in a tickler file pending return of the receipted original by the field location.

Receipt of Form. Upon receipt of the APHIS Form 89, the Port Director (PD) at the field location must verify the serial numbers on the forms with the serial numbers listed on the APHIS Form 47. The PD must sign the original copy of the APHIS Form 47 and return it to FSO, Accounts Receivable Team.

**APHIS Form 89
Accountability
(Continued)**

A record should be maintained of all APHIS Form 89's received and issued by the PD. The record should include the date of receipt or issuance, serial numbers, officer to whom issued, and an acknowledgment of receipt. APHIS Form 89's should be issued in numerical sequence, using the first through eighth positions of the serial number.

When forms are transferred from one PD to another, the sending PD will prepare an APHIS Form 47 to record the transfer of APHIS Form 89's. The APHIS Form 47 will indicate the serial numbers being transferred from one PD to the other. The receiving PD will verify the serial numbers, sign the original copy of the APHIS Form 47, and return it to the sender. Each PD will retain a copy for record purposes.

Unusable Forms. On occasion, some forms will become unusable. Since each APHIS Form 89 is an accountable document, the following procedures must be used to ensure proper accountability.

Voided Forms. When an APHIS Form 89 becomes unusable, the officer must draw a large "X" across the face of the form and forward it to the PD to void the form.

Lost or Destroyed Forms. If a form is lost or completely destroyed, the officer must complete a speed memo listing the serial number of the lost or destroyed form and forward Parts 1 and 2 to the PD. Keep Part 3 for your records. A brief explanation of the circumstances leading up to the loss or destruction of the form should be included in the speed memo.

PD's Responsibility for Reporting Unusable Forms. Each PD is responsible for reporting unusable forms monthly to FSO, Accounts Receivable Team, using the following procedure:

**APHIS Form 89
Accountability
(Continued)**

Voided Forms. List on one speed memo the serial numbers of all forms received with an "X" drawn across the face of the form forwarded by officers. Attach all voided forms to the speed memo and forward to FSO, Accounts Receivable Team.

Lost or Destroyed Forms. When speed memos are received for lost or destroyed forms, forward Part 1 to FSO, Accounts Receivable Team. Retain Part 2 for your records.

Area Office Responsibilities. Area offices are responsible for forwarding requests from field locations for APHIS Form 89's to FSO, Accounts Receivable Team.

FSO, Accounts Receivable Team Responsibility. FSO, Accounts Receivable Team, will maintain a record of the serial numbers of all APHIS Form 89's received from the printer. Forms will be stored in a safe place and should be available only to authorized personnel. A record will be maintained of: 1) all APHIS Form 89's submitted to each field location; 2) all APHIS Form 89's voided, lost, or destroyed; 3) all APHIS Form 89's for which bills were issued by NFC; and 4) all APHIS Form 89's for which bills were issued by FSO.

Applicant Numbers

An applicant number is a 9-digit numeric designator used by APHIS to identify the individual, airline, shipping company, or others for which reimbursable overtime inspection services are performed.

Establishing Applicant Numbers. Applicant numbers should be established for frequent users of reimbursable overtime services. The applicant number will be established only after receipt of a completed APHIS Form 192, Application for Credit Account and Request for Services. The completed APHIS Form 192 will be submitted to FSO for verification before an applicant number is assigned. Services provided will be on a cash basis until FSO performs a verification of the application and approves the issuance of an applicant number.

**Applicant Numbers
(Continued)**

FSO, Accounts Receivable Team, will establish the 9-digit applicant number and submit them electronically to NFC. Applicant numbers are developed as follows:

- X The first digit represents the unit
- X The second digit represents the region
- 1 The third digit is always a "1", representing a commercial account
- XX The fourth and fifth digits represent the work unit
- XXX The sixth through eighth digits are a sequential number within work unit
- X The last digit is a computer-generated check digit

The check digit is a mathematically calculated number used by the computer to check the validity of the applicant number. The check digit is a part of and must be included each time the applicant number is used.

Temporary Applicant Number. A temporary applicant number should be used only when services are paid for by the recipient at the time the services are performed, or the services are performed for a State agency or another Federal agency for which no valid applicant number is assigned. It is not necessary to assign an applicant number for a temporary account. FSO or NFC will use the APHIS Form 89 serial number or the APHIS Form 81 control number for the applicant number when a bill is issued.

Applicant Master File. FSO maintains a computer master file of all applicant numbers established. Each master file received should be reviewed to ensure data maintained is correct. Changes to the master file can be accomplished only by notifying FSO.

**Completion of
APHIS Form 89**

Use of APHIS Form 89. The APHIS Form 89 is used to record reimbursable services performed by APHIS employees relating to the inspection, clearance, or quarantine of plants and plant products, and other import or export commodities or articles subject to inspection under APHIS regulations.

**Completion of
APHIS Form 89
(Continued)**

The use of APHIS Form 89 is limited to reimbursable services performed, including commuted travel time, under 7 CFR 354 and 9 CFR 97. The services provided should be charged to the reimbursable appropriation limitation code "X59."

The APHIS Form 89 must be completed as soon as possible after services are performed. In cases where multiple inspections are scheduled for the same applicant, the form may be retained to record the additional inspections but must be completed and distributed to NFC or FSO, as appropriate, no less frequent than weekly.

A separate APHIS Form 89 must be completed when the fiscal year changes or when the rate changes. Each period of reimbursable services performed after a rate change goes into effect must be reported on a separate APHIS Form 89.

Requests for Service. Requests for reimbursable overtime services fall into two categories: 1) Temporary Users, and 2) Regular Users. All requests for services should be presented sufficiently in advance to allow the PD to schedule employees to perform the service. The PD must take into consideration availability of staff, ongoing activities, and location of requested inspection before requests are approved. In addition, the PD should determine if the request is a one-time request or if the individual/company will be a frequent user of overtime services.

Temporary User. One-time or intermittent users of overtime services are required to pay for services provided upon completion of services. Payments must be in the form of money order, certified check, or cash. All cash payments should take place in the office and should be converted to a money order immediately. Caution: Do not deposit cash in a private account and write a personal check. This is a commingling of funds and must be avoided.

**Completion of
APHIS Form 89
(Continued)**

Regular Users. All regular or frequent users of overtime services should complete APHIS Form 192, Application for Credit Account and Request for Services. The completed APHIS Form 192 will be submitted to FSO for verification before an applicant number is assigned. Services provided will be on a cash basis until FSO performs a verification of the application and approves the issuance of an applicant number. FSO keeps copies of all approved credit applications. When the APHIS Form 192 is on file, it is not necessary to have the APHIS Form 89 signed by the recipient.

Exception. APHIS Form 89's prepared for other Government agencies, foreign military, and State agencies must be signed by an authorized representative.

AADA. AADA, Public Law 94-353, places limitations on the amount and rates to be charged to aircraft owners and operators.

Private Aircraft. The Government may not charge the owner, operator, or agent of a private aircraft or vessel not being used to transport persons or property for hire more than \$25 for inspection services. The fee will cover the combined services of the various agencies required in providing the clearance. Generally one officer will make the inspection and collect the fee. If more than one agency is involved, the participating employees should determine which agency will handle collection of the fee. There will be no proration of the fee between participating agencies.

Commercial Aircraft. The aircraft clearance inspection is covered (or paid for) by the aircraft clearance user fee if aircraft and cargo are inspected concurrently or cargo is inspected within two hours of the aircraft inspection. AADA provides free ROT service to commercial carrying aircraft on Sundays and holidays during a 9-hour standard tour-of-duty, normally maintained between 0800 and 1730.

**Completion of
APHIS Form 89
(Continued)**

The AADA also restricts the rate to be charged after normal tour-of-duty hours to only the cost actually incurred in performing the inspection. The rate charged is exclusive of administrative overhead costs. The officer must determine when the AADA provisions apply and mark the APHIS Form 89 accordingly.

Two-Hour Minimum. Applicants are charged for a 2-hour minimum period only when the inspecting officer is entitled to a 2-hour minimum overtime. If more than one inspection is performed, the 2-hour minimum and any commuted travel time should be prorated between each inspection.

Instructions for Completing APHIS Form 89.

Instructions for the completion of APHIS Form 89 are printed on the inside cover of each pad of forms as a ready reference for each officer. Exhibit 10-5 contains preparation instructions for the APHIS Form 89.

**Distribution and
Transmittal of
APHIS Form 89**

The APHIS Form 89 must be completed and distributed promptly to ensure timely billing of services provided. NFC has established the 25th of each month as a cutoff date for billing purposes. All APHIS Form 89's received by this date will appear on the NFC-523, Bill for Collection. The distribution of completed APHIS Form 89's for PPQ inspections is as follows:

- ◆ Separate original copies of APHIS Form 89's into three categories:
 - Originals for billings,
 - Originals with collections, or,
 - Originals adjusting previously issued APHIS Form 89's.
- ◆ Prepare a separate speed memo to transmit each category, and list the category in the subject block. You may list up to 50 forms on each speed memo.

Distribution and Transmittal of APHIS Form 89 (Continued)

Services Through the 20th of the Month. For services performed through the 20th of the month, transmit the completed APHIS Form 89 as soon as it is completed. At a minimum, the APHIS Form 89's must be completed and submitted on a weekly basis. The originals for billings and the originals adjusting previously issued APHIS Form 89's must be attached to the respective speed memos and mailed to:

USDA, National Finance Center
P.O. Box 60950
New Orleans, LA 70160

The remaining copies of the APHIS Form 89 are distributed as follows: mail the yellow copy to the applicant, mail the pink copy to the area office, and retain the green copy for your records.

Services After the 20th of the Month. For services performed between the 20th and the 24th of the month requiring the issuance of a bill by NFC, the completed APHIS Form 89's should be compiled and submitted to NFC by use of the General Services Administration (GSA) Governmentwide express mail contract. Expressed mail should be addressed to:

USDA, National Finance Center
13800 Gentilly Road
New Orleans, LA 70129

Contact FSO, Procurement and Realty Services, Purchasing Section, for assistance in establishing an express mail account.

Correcting APHIS Form 89

The APHIS Form 89 should be reviewed for completeness and accuracy before submission to NFC or FSO. Any errors or omissions detected should be corrected before submission.

Omission or Error Detected by APHIS Office. Errors detected after the APHIS Form 89 has been billed can be corrected in one of the following ways:

**Correcting APHIS
Form 89
(Continued)**

Additional Hours to be Billed. Complete a new APHIS Form 89 to show only the additional hours to be billed. In the Remarks section, indicate the number of hours erroneously omitted from the original APHIS Form 89, and give the complete serial number of the APHIS Form 89 being referenced.

Wrong Applicant Billed. Complete a new APHIS Form 89 for the correct applicant number. Enter the serial number from the incorrect APHIS Form 89 in the "APHIS Form 89 to be Replaced" field of the new APHIS Form 89. The correct applicant will be billed and at the same time credit will be given to the erroneously billed applicant.

Excess Hours Billed. Complete a new APHIS Form 89 for the correct amount of hours to be billed. Enter the serial number from the incorrect APHIS Form 89 in the "APHIS Form 89 to be Replaced" field of the new APHIS Form 89. The erroneous amount will be credited from the applicant's account at the same time the new amount is charged to the applicant's account.

Disputed Documents From NFC. When an APHIS Form 89, billed by NFC, is disputed by the applicant, NFC will remove the document from the applicant's bill. NFC will remove all disputed documents from its billing system and establish the document in a suspense file until corrections are processed. The disputed document will be returned to the "Submitting Office Code" location recorded on the APHIS Form 89 along with a form letter describing corrective action to be taken.

Corrective action on documents in dispute must be accomplished as soon as possible. NFC removes disputed documents from the accounting system until corrections are processed. Data presented to users will be understated until corrections are processed. If the disputed document was erroneously issued, indicate on the "Disputed Document Memo" that the APHIS Form 89 was erroneously issued and to remove the document from NFC's disputed file. Return the Disputed Document Memo to NFC.

**Correcting APHIS
Form 89
(Continued)**

Assistance in Correcting Disputed Documents. FSO, Accounts Receivable Team, is available to provide assistance in resolving issues regarding disputed documents. Each document returned by NFC must be resolved promptly.

**Military and Other
Government Agency
Inspections**

Applicants desiring overtime inspection service must contact the port of entry office to convey their request. Any applicant who requests overtime services on a continuing basis and wishes to be billed must complete an APHIS Form 192, Application for Credit Account and Request for Services. The APHIS Form 192 will be submitted to FSO for review and approval. After FSO approval, an account number will be assigned.

Upon completion of services, an APHIS Form 89, Report of Reimbursable Overtime Services, is prepared to document the hours of overtime services for each inspection. FSO issues bills, processes payments, and follows up on delinquent accounts. The applicant remits payment to FSO who credits the accounting code of the APHIS office. FSO produces a monthly index that shows the status of bills to monitor delinquent accounts.

FSO, Accounts Receivable Team, is delegated the responsibility for issuing bills to the U.S. military, foreign military, and to other Government agencies for reimbursable overtime inspections. FSO, Accounts Receivable Team, also is responsible for maintaining proper general ledger and subsidiary accounts for services provided to these agencies.

Preparation of the APHIS Form 89.

U.S. Naval Vessels. Each Navy ship is assigned a 5-digit Unit Identification Code (UIC) by the Department of Navy (DON). A prefix of "R" or "V" accompanies each UIC to specify whether the ship is assigned to the Pacific (R) or Atlantic (V) fleet. APHIS has negotiated a Reimbursable Work Authorization with DON to centrally fund ship inspections for each fleet. FSO, Accounts Receivable Team, will issue a consolidated bill for inspection services provided during the month.

**Military and Other
Government Agency
Inspections
(Continued)**

When completing the APHIS Form 89 for U.S. Naval Vessel inspections, the following procedures must be followed:

- a. APPLICANT NUMBER. Leave this field blank for Navy vessels.
- b. IDENTITY OF SERVICE. Enter the ship's name.
- c. REMARKS. Enter the 5-digit UIC code, plus the alpha prefix.
- d. SIGNATURE. Obtain the signature of the ship's captain or representative on the APHIS Form 89.

The remainder of the APHIS Form 89 should be completed using current procedures outlined in Exhibit 10-5.

Other U.S. Military Activity and other Government Agencies. When completing the APHIS Form 89 for other U.S. military and other Government agencies, the following procedures must be followed:

- a. APPLICANT NUMBER. Leave this field blank. Other U.S. military and other Government agencies are billed by FSO and do not require an applicant number.
- b. NAME AND ADDRESS. Enter the complete name and mailing address of the activity.
- c. REMARKS. Enter the UIC, if applicable, in the "Remarks" block.
- d. SIGNATURE. Obtain a signature of the vessel/craft's captain or representative and telephone number, including area code.

The remainder of the APHIS Form 89 should be completed using the current procedures outlined in Exhibit 10-5.

Foreign Military Inspections. APHIS performs many inspections on arriving foreign military vessels/aircraft. To ensure proper identification when billing, and to reduce the lag time in collecting for services provided, the following procedures must be used when completing the APHIS Form 89:

**Military and Other
Government Agency
Inspections
(Continued)**

- a. APPLICANT NUMBER. Leave blank.
- b. NAME AND ADDRESS OF APPLICANT.
Complete the name and address as follows:
(Country of Origin) Embassy, Attn. (Branch of
Military) Attache, Washington, DC
- c. IDENTITY OF SERVICE. Record "Agric.
Inspector"
- d. PLACE OF SERVICE. Identify the specific
location where inspection occurred.
- e. SIGNATURE OF APPLICANT OR
APPLICANT'S REPRESENTATIVE. Obtain the
signature of the vessel/aircraft's captain or
representative. Without a signature, we cannot
effect collection.
- f. REMARKS. Identify the complete name of the
vessel/aircraft including any alpha/numeric
designations.

Distribution and Transmittal of APHIS Form 89.

Forward the original copy of the completed APHIS Form 89 for all U.S. military, foreign military, and other Government agencies to:

APHIS, FSO, Accounts Receivable Team
Butler Square West, 5th Floor
100 North Sixth Street
Minneapolis, MN 55403

DO NOT send the completed APHIS Form 89 to NFC.
The yellow copy should be given to the applicant at the
completion of inspection. The pink copy should be mailed
to the area office, and the green copy is retained for your
records.

**ROT Cash
Collections**

Reimbursable services provided to individuals and
companies without an approved applicant number are
provided on a Collect-on-Delivery (COD) basis. When
services are performed on a COD basis, the APHIS
Form 89 must be completed immediately after the
inspection.

**ROT Cash
Collections
(Continued)**

The APHIS Form 89 serves three purposes when prepared for a COD inspection: 1) provides a receipt to the individual or company for services paid, 2) provides documentation to APHIS that services were performed, and 3) provides a tracking device if a check is returned by the bank for "NSF."

To ensure proper documentation is available to meet the three purposes identified above, the completing officer must ensure the following data is completed on the APHIS Form 89:

NAME AND ADDRESS. The complete name and address including zip code must be shown.

SIGNATURE OF APPLICANT. The recipient or recipient's agent must sign the APHIS Form 89.

COD ATM - CASH PAYMENT RECEIVED. The amount of cash payment received must be recorded in Item 21.

COD Information. If services are paid by check, the last six digits of the bank, account number and the last four digits of the check number must be shown in Item 22. If services are paid for in cash, convert the cash to a money order and record the last ten digits of the money order in Item 22. This data is necessary to ensure proper matching when funds are deposited by NFC. If services are paid for by a personal check, the driver's license number and issuing State must be shown in Item 23. In addition, the employee identification number or social security number must be included on the check.

The original APHIS Form 89's and supporting payments are transmitted by a speed memo to:

USDA, National Finance Center
COD Field Officer
P.O. Box 70791
Chicago, IL 60673

NFC 523, Billing Statement

NFC is responsible for preparing billing statements to all consumer (individuals) and commercial (companies) applicants established by APHIS. NFC responsibilities include: 1) maintaining a proper general ledger and subsidiary ledgers to ensure accountability of all bills issued and collections received, 2) producing various Agency reports depicting the current status of each applicant's account, and 3) producing a listing of all APHIS Form 89's processed during the billing period. A computer tape will be generated by NFC and transmitted to FSO, Accounts Receivable Team, to maintain accountability of APHIS Form 89's issued.

The APHIS Form 89, submitted to NFC, is used as the input document to create the applicant's billing statement. It is APHIS' responsibility to ensure that APHIS Form 89's are legibly completed in accordance with instructions, reviewed for errors or omissions of data, and submitted promptly.

Preparation of NFC 523, Billing Statement. The information recorded on the APHIS Form 89 is used as the source data to create the NFC 523. If invalid or erroneous data is reported on the APHIS Form 89, the invalid or erroneous data will be transferred to the NFC 523. The NFC 523 is a computer generated bill, similar to the statement issued by commercial credit card companies, for each applicant showing current month charges and payments processed by NFC during the billing cycle. The NFC 523 shows any unpaid balance plus interest charged on the unpaid balance. In addition, a penalty and additional administrative costs incurred will be assessed on each delinquent balance in excess of 90 days.

The NFC 523 bill will be printed on a perforated sheet. The debtor will retain the bottom portion of the bill and will return the top portion, with payment, to NFC. The detailed information will be printed on both portions of the bill. The form will be used as the initial billing statement and will serve as the first "Delinquent Notice" when an account is not paid within the prescribed time period established by NFC. Exhibit 10-4 contains a more detailed explanation of the NFC 523.

**Amounts Received
Through
Agreements**

There are four major types of funds APHIS receives through agreements: reimbursable funds, trust funds, interagency funds, and funds from cost-sharing agreements. Reimbursable funds arise from reimbursable agreements. For appropriated activities, these funds represent the costs for which we are repaid. Payment for these goods or services may come after the goods or services have been provided. Trust funds are from trust fund agreements and are for non-appropriated activities. The estimated costs for these services are paid to APHIS in advance.

Interagency funds arise from acquisition arrangements developed between at least two Federal agencies for obtaining needed goods and services. Cost-sharing agreements are agreements by more than one party where each party agrees to fund and pay for its agreed share of expenses. This chapter does not address grant agreements used by APHIS to provide grants for research, etc. See the APHIS Agreements Management Manual for information on APHIS grants.

**Legal Documents
Used for
Agreements**

Cooperative Service Agreements are the legal documents used for Reimbursable Funds and Trust Funds. These documents must be used for all agreements entered into with non-Federal entities. Cooperative service agreements may be established on a one-time or continuing basis. See Chapter 6, Cooperative Service Agreements, APHIS Agreements Management Manual, for APHIS policy and procedures for initiating and administering cooperative service agreements.

Interagency Agreements are used for arrangements with other Federal agencies. See Chapter 5, Interagency Agreements, APHIS Agreements Management Manual, for APHIS policy and procedures for developing and administering interagency agreements.

Memorandums of Understanding (MOU's) are used when the arrangement does not involve an exchange of money. See Chapter 7, Memorandums of Understanding, APHIS Agreements Management Manual.

**Reimbursable
Agreement Funds**

Reimbursable agreements provide a mechanism for APHIS to be reimbursed for appropriated activities. Before APHIS can enter into a reimbursable agreement, we must have the authority to do so. Payment for these goods or services usually comes after the goods or services have been provided. The reimbursable activity should be monitored to ensure compliance with the agreement and to ensure that compensation is received for work performed.

There are many activities in which APHIS assists State and local governments, organizations, and individuals in the control or elimination of an animal or plant problem. For example, APHIS helps farmers eliminate pests from their fields.

Reimbursable Agreements - Accounting. Obligations and reimbursements are recorded under Appropriation X59 with a specific project code for each activity or agreement. This accounting code must appear on all documents used to record transactions. FSO prepares monthly bills for services provided under reimbursable agreements using SF-1114, Bill for Collection, and submits them directly to the customer with payment instructions. This billing is based on services provided as reflected in the accounting system and is recorded against the accounting code assigned to the activity or agreement. This bill includes the billing period, current charges processed by amount and type of expenses, and accounting code.

**Trust Funds/
Miscellaneous
Contributed Funds**

The term, “miscellaneous contributed funds,” is another term for trust funds. Miscellaneous contributed funds is the terminology used by Treasury, and this is the official title of the Treasury symbol (12X8226) we use to record obligations and revenue associated with these funds. Trust fund agreements result in funds which reflect the obligations and revenue associated with cooperative undertakings between APHIS and another party.

**Trust Funds/
Miscellaneous
Contributed Funds
(Continued)**

Appropriated funds are not allocated for costs incurred in executing trust fund agreements: all costs are the responsibility of the cooperator. Collections are used to carry out the specific project according to the terms of the trust fund agreement or statute. At the end of each fiscal year, trust fund account balances are available for expenditure in the new fiscal year without further action. If a trust fund agreement is entered into with a foreign entity, it is subject to the provisions of the Foreign Assistance Act of 1961 and is negotiated with the Government of the exporting country.

**Trust Fund
Activities**

Trust fund agreements are negotiated for plant preclearance activities in which certain fruits, vegetables, and nursery products are inspected before shipment to the U.S.; for APHIS inspection of cold storage systems on ships used to transport fruits or vegetables to the U.S.; for VS commercial bird import activities; for quarantine and inspection of animals and facilities at points overseas; and for activities to assist State and local government agencies and rancher associations to reduce damage or control losses caused by nuisance animals.

Accounting

Trust funds require the cooperator to deposit, in advance, an amount equal to the estimated cost of services to be provided. The advance payment should be in an amount sufficient to cover the expected costs to be incurred by APHIS to perform the service or complete the project. VS' Commercial Bird Program requires each cooperator to deposit amounts in advance upon execution of the cooperative agreement.

**Accounting
(Continued)**

Appropriation X83 is used for trust fund accounts. All transactions should include the accounting classification code. Each agreement requires the cooperator's balance to be monitored, and, if judged necessary, a bill is issued for additional funds. For the VS commercial bird trust funds, monthly bills for costs incurred are issued to restore a deposit to its original level. Monthly statements for costs incurred are issued from FSO. Any unobligated balance upon termination or expiration of the agreement is returned to the cooperator. A separate accounting classification code must be established under appropriation symbol 12X8226, Miscellaneous Contributed Funds, for each cooperative undertaking.

Harry S Truman Animal Import Center (HSTAIC) is available to importers who want to bring animals into the U.S. from countries which have diseases the U.S. does not have. Such imports require the importer to obtain a letter of credit in the amount of the estimated cost of the importation. An initial bill is prepared 30 days prior to the release of the animals, and at that time a certified check is requested from the importer. We receive the check before the animals are released. A final bill or refund is provided 60-90 days after the end of the quarantine. HSTAIC importations are accounted for under appropriation X59.

**Monthly Statements
of Account**

The project manager is responsible for monitoring trust fund activities and for preparing and submitting the monthly statement of account on a timely basis to keep the customer apprised of the status of the fund. A monthly statement must be prepared for each trust fund that has activity during the month.

**Monthly Statements
of Account
(Continued)**

The monthly statement of account is not considered a bill for accounting purposes: no receivable is established in the accounting system. The cooperator has given us an advance of funds to perform the work. The statement should include the beginning balance, the activity processed, the billing period, the accounting code, and the ending balance. Activity reflected in the monthly statement may include additional deposits received, obligations recorded, or agreement cancellation. Agreement cancellation requires a final accounting and may involve a refund of the balance on deposit with APHIS.

Manual Statements. Each project manager has the option of preparing a manual monthly statement of accounts for submission to the cooperator. FSO generates monthly statements from the I-1, Detail Transaction Reports, of all APHIS trust fund activities to provide to each program unit. The manually prepared statement must be consistent with obligations recorded on the monthly accounting reports. Additional information may be added to the accounting reports to make the statement more current. This information can be in the form of additional checks received and not processed into the accounting system or the correction of errors or omissions of obligations detected in the accounting reports. In either case, the I-1, Detail Transaction Report, should be used as the basis for generation of the monthly statement of account.

**Project Manager
Responsibility**

Each project manager is responsible for the use and accountability of funds received for the trust fund. The project manager also is responsible for ensuring that some sufficient fund balance remains in the account to complete the project. In determining additional funding needs, consideration must be given to: 1) information included in the last statement of account, 2) period of time covered by the last statement of account, 3) activity accomplished and not covered by the statement, and 4) projected activity needed to complete the project.

**Project Manager
Responsibility
(Continued)**

If, after careful review of the accounting records and statements of account, additional funds are required from the cooperator to continue the project, the project manager notifies the cooperator and provides justification for additional funds. In all cases, the amount of services provided under a miscellaneous contributed funds agreement should not exceed the balance of funds on deposit with APHIS.

**Interagency
Agreement Funds**

An interagency agreement is an acquisition arrangement developed between at least two Federal agencies to obtain needed goods and services (requesting agency) from another Federal agency (performing agency). An interagency agreement may be either between APHIS and another USDA agency or between APHIS and another Government agency outside of USDA. See Chapter 5, Interagency Agreements, APHIS Agreements Management Manual, for APHIS policy and procedures for developing and administering interagency agreements.

The office requesting the service should initiate the interagency agreement process. Authority for interagency agreements is granted under 31 U.S.C. 1535 and provides that agreements can be initiated for goods or services: 1) if amounts are available, 2) if the head of the ordering agency decides the order is in the best interest of the U.S. Government, 3) if the agency that is to fill the order is able to provide the ordered goods or services, and 4) if the head of the agency decides the goods or services cannot be provided as conveniently or cheaply by a commercial enterprise.

The Administrator and Associate Administrator may exercise complete authority for all interagency agreements or it may be delegated. The Director, BAD, is delegated authority to approve new, renewed, and amended agreements. This covers projects, programs, and common and/or health service agreements.

**Interagency
Agreement Funds
(Continued)**

An Authorized Departmental Officer's Designated Representative (ADODR) must be appointed for each agreement and is responsible for monitoring the performance and compliance with the terms of the agreement.

**Accounting
Procedures**

The procedures outlined in this chapter apply only to the agreements where APHIS is providing the service and will be reimbursed. Each interagency agreement entered into may be funded by either an advance payment or as an estimated reimbursement. All obligations associated with the performance of the agreement must be charged directly to the 10-digit accounting code assigned to the agreement. Services provided should be charged to the reimbursable appropriation limitation code "X59". FSO has the responsibility for issuing the required billing statements for services provided by APHIS under interagency agreements.

**Services Between
APHIS and Another
USDA Agency**

When APHIS enters into an agreement to provide services to another USDA agency, the approving official submits the original of Form AD-672, Interagency Agreement, to FSO once it's completed and signed. The Form AD-672 includes the appropriate accounting classification code to be used for billing purposes and indicates the frequency of billing, i.e., monthly, quarterly, semiannually, or annually. The Form AD-672 also includes the name, address, and phone number of the individual designated as the ADODR.

Requests for Billing. To initiate a billing for services performed, the ADODR provides FSO with a completed APHIS Form 90, Report of Reimbursable Services Rendered. The APHIS Form 90 is submitted in accordance with the prescribed frequency of billing and gives a detailed listing of services provided.

Issuance of Bill. Upon receipt of the completed APHIS Form 90, FSO prepares a Form AD-742, Transfer and Adjustment Voucher. FSO completes the "Collection" portion of the AD-742 and forwards it to the billed agency along with a copy of the APHIS Form 90.

**Services Between
APHIS and Another
USDA Agency
(Continued)**

Processing of Form AD-742. FSO forwards the AD-742 to the billed agency for completion of the "Disbursement" portion of the form. After completion, the original AD-742 is forwarded to NFC for processing and a copy is returned to FSO. FSO maintains an open file of AD-742's until confirmation is received from NFC. NFC processes all AD-742's and notifies FSO when the documents are processed.

**Services Between
APHIS and a
Government Agency
Outside of USDA**

When APHIS enters into an agreement to provide services to another Government agency outside USDA, the approving official submits the original Form AD-672, or other authorized form, to FSO. The form used must include the appropriate accounting classification code, frequency of billing, and the name, address, and phone number of the individual designated as the Agency ADODR.

Requests for Billing. To initiate a billing for services performed, the ADODR will provide FSO with a completed APHIS Form 90, Report of Reimbursable Services Rendered. The APHIS Form 90 will be submitted in accordance with the prescribed frequency of billing indicated in the agreement and give a detailed listing of services provided.

Issuance of Bill. Upon receipt of the APHIS Form 90, FSO will issue either an SF-1080, Voucher For Transfer Between Appropriations and/or Funds, or an SF-1081, Voucher and Schedule of Withdrawals and Credits. The completed SF-1080 or SF-1081 will be submitted to the billed agency with a copy of the APHIS Form 90.

Processing SF-1080 or SF-1081. If an SF-1080 is issued by FSO, the billed agency will return a signed copy of the form along with a check to FSO for payment of services provided. If an SF-1081 is issued by FSO, the billed agency will report the collection for APHIS on their SF-224, Statement of Transaction, to Treasury. A confirmation copy of the SF-1081 will be forwarded to FSO. FSO will provide a copy of the confirmation to NFC or credit to the APHIS accounting system.

Funds from Cost-Sharing Agreements

Cost-sharing agreements are agreements by more than one party where each party agrees to fund and pay for their agreed share of expenses. For example, they agree to share and fund a mail room which services more than one agency. Each agency pays their share of the costs. Several APHIS agreements are performed on a cost-sharing basis. These agreements are in the form of a percentage of the total dollars to be expended by each party in accomplishing the agreement. These agreements require each party to fund and pay for their agreed share of expenses. On an annual basis, a reconciliation of the prorated share of expenses incurred by each party to the agreement must be performed. In any situation where APHIS has incurred total expenses greater than the agreed to percentage identified in the agreement, a bill must be initiated to the other party to recover the excess expenses.

After the final reconciliation is completed and agreed to by each party of the agreement, the APHIS project manager will provide all the necessary information to FSO to initiate a bill. FSO will prepare an SF-1114 based on the final reconciliation of the cost-sharing agreement. The billing statement will identify the agreement number, the basis for the bill, the amount to be paid based on the final reconciliation, and the due date. The bill will be submitted directly to the cooperator.

Civil Penalties

Civil penalties are fines received from individuals or companies who have violated APHIS regulations and who dispute the violation. (See the Regulatory Enforcement Stipulations section below if the individual or corporation agrees that they are in violation and agree to pay their fine without going to court). When the individual or corporation does not acknowledge the violation, the case is brought before an administrative law judge. If the judge determines that a civil penalty is due to APHIS, then the judge determines the appropriate amount of the penalty.

The docket from the court proceedings and the decision information is sent to FSO for processing. FSO bills the individual or company for the penalty amount. The beginning date for interest calculations is the date of the first demand letter.

**Civil Penalties
(Continued)**

The violator sends payments for civil penalties to an FSO P.O. Box or to the attorney for the civil penalty case. If it is sent to FSO, FSO completes an SF-215, Deposit Ticket, to deposit the collection in the Federal Reserve Bank of Minneapolis. If the payment is sent to the attorney for the civil penalty case, the attorney will forward the payment to BAD where a BAD employee completes an SF-215 and deposits the collection into a TGA in Riverdale, MD. Appropriate supporting documentation should be included with the payment.

**Regulatory
Enforcement
Stipulations**

Regulatory enforcement stipulations result from APHIS identifying violations to animal care regulations, and fining the individual or corporations who are in violation of these regulations. These fines are considered stipulations since the individual or corporation acknowledges the violation and agrees to pay the fine. (See the Civil Penalties section above if the individual or corporation disputes the violation). The U.S. Customs Service also collects stipulation fees on behalf of APHIS. APHIS pays U.S. Customs a fee for collecting fines on our behalf, so FSO only receives a portion of the fines collected.

For fines other than those collected by Customs, APHIS bills the violator. The violator sends the fine to FSO who completes an SF-215 for deposit in the Federal Reserve Bank of Minneapolis. When fines are collected by Customs, a portion of the fines are forwarded to FSO and FSO completes the SF-215 to deposit the collection in the Federal Reserve Bank of Minneapolis. FSO records the collection in the accounting system.

**Other Types of
Revenue and
Reimbursements**

A number of actions and events occur during the performance of official and unofficial duties which may result in APHIS issuing a billing statement. These events can be the result of headquarters or field investigations, or they can occur as the result of investigations or audits performed by parties outside of APHIS.

**Other Types of
Revenue and
Reimbursements
(Continued)**

In either event, a determination is made as to the liability and monetary damages or repayment necessary to satisfy the debt resulting from the performance of actions or events. FSO has the responsibility for issuing billing statements and conducting followup actions to ensure that outstanding debts are collected.

**GSA Sale of
Vehicles**

At the time the vehicle is sold, GSA notifies NFC of the amount collected. NFC records the initial collection and notifies FSO of the collection. FSO transfers the collection to the appropriate accounting code from which new vehicles were or will be purchased.

**Overpayments to
Employees**

On occasion, an employee may receive excess funds for which he/she is not entitled. The funds can be in the form of salary overpayments, unused foreign allowance payments, or unused travel advances. In each incident of overpayment, the employee is responsible for seeking an explanation of the overpayment from his/her supervisor. The supervisor should seek an explanation of the overpayment from FSO. FSO will identify each unexplained change in pay or allowances and notify the affected employee and supervisor.

If the determination is made, after proper investigation, that an overpayment was erroneously made to an employee, FSO will determine the appropriate way to bill the employee. If overpayments are for salary or travel, NFC usually will issue a bill to the employee from ABCO. For other overpayments, FSO will prepare an SF-1114 in the amount of the overpayment. The bill will be submitted to the employee detailing the reason for the bill, amount due, and payment terms.

**Motor Vehicle
Accidents**

Damages to a Government-owned vehicle (GOV) resulting from a motor vehicle accident must be recovered. Each accident involving a GOV must be investigated, documented, and reported in accordance with the APHIS Motor Vehicle Fleet Management Manual and the APHIS Safety and Health Manual. All information developed during the course of investigation is provided to FSO.

**Motor Vehicle
Accidents
(Continued)**

FSO reviews all pertinent data from the investigation and issues a report which outlines all information reviewed, the liable party, the amount of the liability, and the basis for its findings. Based on this report, FSO issues an SF-1114 to the party determined liable. This bill shows the basis for the bill, amount due, payment terms, due date, and the rate of interest to be applied for non-payment by the due date. Payments received by FSO are deposited in the Federal Reserve Bank of Minneapolis using an SF-215 deposit ticket.

**Illegally Imported
Bird Fees
(Smuggled Birds)**

APHIS regulations outline the requirements that individuals must meet if they wish to import birds into the U.S. Usually, APHIS requires that the birds undergo a 30-day quarantine in an approved VS facility prior to being released into the U.S. Other U.S. Government regulations prohibit individuals from importing birds into the U.S. that are on the endangered species list. To bypass these regulations, some individuals will attempt to smuggle birds into the U.S.

Often, either the U.S. Customs, the Fish and Wildlife Service (FWS), or APHIS will detect the smuggling and confiscate the bird(s) at the point of entry. In a few cases, an individual will present a bird for importation at an APHIS facility for quarantine, and the Fish and Wildlife Service will later confiscate the bird if they find out that it is on the endangered species list. Birds seized by Customs or FWS are released to APHIS, VS, for mandatory quarantine. Upon completion of the quarantine, VS may return the birds to Customs or FWS or conduct a public auction to sell the birds.

An MOU is in place between Customs, FWS, and APHIS to set forth the responsibilities relative to the seizure, forfeiture, and sale of illegally imported birds and the handling of costs and distribution of proceeds resulting from their sale. All obligations and reimbursements related to the quarantine of these birds are recorded in Appropriation X59 under Project 930.

**Animal Welfare
License Fees**

The Animal Welfare Act regulations require the licensing of animal dealers, exhibitors, and operators of animal auction sales where animals regulated under the Act are sold.

Licenses are valid unless the licensee terminates the license voluntarily or fails to renew it, or the license is suspended or revoked by an Administrative Law Judge in an enforcement proceeding . APHIS charges fees for these licenses, but we are required to deposit the collections as “miscellaneous receipts” in the U.S. Treasury.

APHIS sends out a notice of license expiration three months before the expiration of a current license. This notice of expiration does not list the license fee, and it does not serve as a bill to the licensee. The amount of the fee is based on a sliding scale which considers various factors. The licensee determines what he/she owes from this sliding scale and submits payment to his/her local APHIS office. The local APHIS office issues a new animal welfare license and forwards payments and supporting documents to the lockbox in St. Louis. FSO receives supporting documentation from the lockbox. The customer also can pay by credit card. Mellon Bank notifies NFC when it receives collections for animal welfare license fees by credit card, and NFC enters the credit card collection information into the ABCO System.

**Refunds Received
by APHIS**

Refunds received by APHIS may be due to overpayments or adjustments of amounts previously disbursed from appropriated or trust fund accounts. These refunds to APHIS are recorded as expenditure refunds, not revenue, as they reduce the amount of obligations and disbursements previously recorded in the accounting system. If, however, APHIS receives a collection of balances previously written-off, that is considered revenue.

Miscellaneous Collections

Miscellaneous collections are collections received at the NFC St. Louis lockbox without supporting documentation that cannot be identified with a specific revenue source. Collections from the sale of property, overpayments, and non-Federal travel reimbursements are examples of APHIS' miscellaneous collections. Payments are deposited into a separate lockbox in St. Louis and the bank mails the information from this miscellaneous collection to FSO. FSO researches these collections and enters the collections into the appropriate accounts.

Collections

APHIS provides many services for which it collects a fee. The funds can be in the form of cash, check, or money order. The collection can be the result of an advance payment for a future service to be provided, a payment received upon completion of a service, or the result of a bill issued for services provided. This section identifies types of collections, handling and safeguarding collections, depositing or transmitting receipts, refunds, and internal controls. Information about collections relating to specific types of fees or charges is covered earlier in this chapter.

Types of Collections

Collections Deposited to APHIS Accounts. When the Agency has specific authority to retain collections, APHIS will deposit collections to the appropriation or fund from which the cost of providing the services was paid. Examples of collections with this type of depository authority are VS user fees, reimbursable overtime, and agreements.

Collections Deposited to Treasury General Receipt Accounts. Funds from activities for which APHIS does not have specific statutory authority to deposit to their appropriation or fund are governed by OMB Circular A-25, User Fees, and must be deposited as miscellaneous receipts to the general funds of the Treasury Department. Examples of these proceeds are civil penalties, animal welfare license fees, and proceeds for damage to Government property.

**Types of Collections
(Continued)****Collections Deposited to the AQI Special Receipt**

Account. APHIS has one special receipt account established at Treasury called the “Agricultural Quarantine Inspection User Fee Account.” APHIS must deposit all fees we collect for AQI services in this account. APHIS employees are not responsible for collecting these fees; either the U.S. Customs Service collects the fees for us or our customers send them directly to a lockbox in Chicago. (See Chapter 3 for more information on this account).

**Handling and
Safeguarding
Collections**

APHIS employees receiving Agency funds are responsible for properly handling and safeguarding the funds until they deposit them into a lockbox or TGA. Each employee is liable and accountable for all funds received.

Identification of Collections. Employees must properly identify each collection received with the name of the payer, reason for payment, date received, amount received, accounting code to be used for deposit, and the appropriate check information. If payment is by the customer’s personal check, the employee also must record the driver’s license number and issuing State.

Safeguarding Collections. Office managers should ensure that adequate safekeeping facilities are available. This may include a combination-locked safe, a fire resistant file cabinet with a lock, or another secured means of safeguarding collections. The means used to safeguard collections should be commensurate with the amount of funds received on a routine basis. Store only official collections, official papers, and accountable documents and forms.

Conversion of Cash Receipts. Do not send cash through the mail or convert cash to a personal check. Employees must convert cash collected to a cashier’s check or money order. No part of the collection may be used to pay for the cost of purchasing the cashier’s check or money order. The cost of purchasing the cashier’s check or money order should be submitted for reimbursement to FSO, Financial Services Payments Team, or to a local imprest fund cashier using an SF-1164, Claim for Reimbursement for Expenditures on Official Business.

Depositing and Transmitting Collections

How APHIS deposits its collections depends upon the service or goods the payment is for. In some cases, employees will deposit the collection directly into a TGA or send it to a lockbox bank or FSO. In other cases, the customer will send the collection directly to a lockbox bank or FSO. The U.S. Customs Service also collects some of our fees and credits them to APHIS using an adjustment to the SF-224. This section of the Manual addresses how employees will deposit and/or transmit collections they receive. Exhibit 10-6 summarizes the types of collections and how employees should deposit the collections. See the TGA section of this chapter for a discussion of collections processed through TGA's. See Section 10.4, Lockbox Procedures, VS User Fees Operating Procedures Manual, for procedures on transmitting VS user fees (including VS reimbursable overtime) to their lockbox.

Frequency and Form of Deposits. Employees must deposit collections or transmit collections for deposit within 24 hours, if practical, but no later than the second workday from the date of receiving the collection. As mentioned in the above section, employees will only mail checks and money orders.

Revenue Object Class Codes. A revenue object class code must be associated with each deposit. See Exhibit 10-7 for the proper code to use.

Collections Deposited to TGA's. TGA's allow for the local deposit of funds received at the field level. Use of TGA's speeds up the deposit of collections to Treasury and ultimately reduces the amount of funds the U.S. Government must borrow in order to meet obligations. Participating banks receive funds from APHIS. The New York and Miami Animal Import Centers and APHIS headquarters use TGA accounts. FSO coordinates TGA account use and provides new TGA locations with operating procedures.

**Depositing and
Transmitting
Collections
(Continued)**

These procedures include the name and address of the local participating bank and a contact person at the bank to initiate the program implementation, a list of forms and records to be maintained to support deposits, communication protocol for the transmission of data to FSO, deposit requirements including preparation of forms, and reconciliation procedures for each deposit.

Collections Transmitted to FSO. There are several types of collections which are transmitted to FSO on APHIS Form 94, Record of Public Funds Received. See Attachment 10-2 for a sample. This includes trust fund payments, jury duty payments, civil penalties, proceeds from the sale of property, and collections APHIS receives for copying public information in accordance with the Freedom of Information Act (FOIA). See Marketing and Regulatory Programs Directive 4630.1, Absence and Leave, for determining if the jury duty payment is subject to refund to APHIS. If the entire fee is for remittance to APHIS, endorse the check for deposit to USDA, APHIS.

Collections Transmitted to NFC. Reimbursable overtime collections, except for VS reimbursable overtime collections, are sent directly to NFC for processing. These collections must be submitted with the original APHIS Form 89, Report of Reimbursable Inspection and Quarantine Service to USDA, NFC, COD Field Office, P.O. Box 70791, Chicago, IL 60673. Reimbursable overtime collection may be transmitted to NFC using an AD Form 311, Speed Memo.

Revenue Refunds

Customers will request refunds for a variety of reasons. APHIS has the responsibility to review each case and approve or deny a credit to a customer's account or a refund. We review supporting information, gather any necessary additional information from the customer, and verify the validity of the credit/refund.

**Revenue Refunds
(Continued)**

Limitations on Refunds. Any amount equal to one dollar or more, and for which the rightful owner's whereabouts is known, will be returned to the owner. Any amount less than one dollar will be returned to the rightful owner upon request from the owner. For rightful owners whose whereabouts are unknown, the procedures outlined in the Treasury Financial Manual, Part 6, Chapter 3000 (July 1995) will be followed.

Method of Refunding. An amount due to an APHIS account holder will be credited to his/her account, or at the request of the account holder, a refund will be issued. An amount due to a customer who paid by credit card will be issued as a credit back to the original credit card. An amount due to a customer who paid by cash, check, or money order will be refunded by Treasury through NFC.

Where to Send Refund Requests. Refunds for PPQ user fees are coordinated through BAD's Financial Systems and Services Branch, User Fees Section. Inquiries regarding refunds for PPQ user fees should be directed to the section head. All other refunds (including refunds for VS user fees) are coordinated through FSO. See the VS User Fees Operating Procedures Manual for complete VS user fees refund procedures.

Internal Controls

Tracking Collections. Each employee is liable for all funds received. Each collection received must be properly documented and not commingled with personal funds. A log of collections and deposits should be maintained at each office and should include a sequential number; the name and address of the payee; the purpose, amount, and date of the collection; the check or money order number; information to cross-reference the collection with the transmittal (i.e., APHIS Form 94; AD Form 311; or a transmission report for VS user fees); and the date the collection was transmitted to the lockbox, TGA, FSO, or NFC. See Exhibit 10-1, VS User Fees Manual, for a sample collections log.

**Internal Controls
(Continued)**

Separation of Duties. Separation of duties is a tool used to attempt to prevent the misuse of cash receipts and its concealment in the accounting records. Taking into consideration staffing limitations, one employee should collect the receipts and enter them on the log. A separate employee should enter the collections into the accounting system and transmit the collections. To ensure no collections have been lost or omitted, a third employee, preferably an office manager, should daily reconcile collections to amounts transmitted and initial the log indicating no deviations.